

**STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
BEFORE THE STATE BOUNDARY COMMISSION**

In the matter of:

Boundary Commission
Docket #95-AR-4

The proposed annexation of
territory in **West Branch Township**
to the **City of West Branch**

SUMMARY OF PROCEEDINGS, FINDINGS OF FACT AND ORDER

This matter of the proposed annexation of the following territory in West Branch Township to the City of West Branch and described as follows:

**THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION
19, T-22N, R-2E, WEST BRANCH TOWNSHIP, OGE MAW COUNTY.**

This matter came before State Boundary Commissioners VerBurg and Rutledge, and Ogemaw County Commissioner Orr for final adjudication in Lansing, on Thursday, August 8, 1996. The Commission, being fully advised as to the positions of the respective parties, made its findings on said date.

SUMMARY OF PROCEEDINGS

- A. On **June 5, 1995**, a petition was filed by the City of West Branch asking for the annexation of a portion of West Branch Township into the City of West Branch.
- B. On **November 21, 1995**, an adjudicative meeting of the State Boundary Commission was held in Lansing to determine the legal sufficiency of the petition. The petition was declared to be legally sufficient, pursuant to Public Act 191 of 1968, as amended, and Public Act 279 of 1909, as amended.
- C. On **February 15, 1996**, a public hearing was held in the City of West Branch to receive testimony given pursuant to Public Act 191 of 1968, as amended.
- D. On **July 16, 1996**, an adjudicative meeting of the State Boundary Commission was held in Lansing to reach a decision based on the information received.

INFORMATION TO BE NOTICED

1. The Township reported for the area petitioned:
 - A 1990 population of 50 and an area of 40 acres.
 - Taylor Door Co. owns approximately 50 percent of the proposed area and contributes 92.7 percent of the proposed area's total taxable value.
2. The Township reported a 1995 millage rate of .9028. The City reported a 1995 millage rate of 16.7.
3. The City requested the annexation on the basis that:
 - development occurred in the proposed area because of its proximity to the City and city services and now the City needs to annex so that it may fully serve the area rather than having a piecemeal approach with water and sewer service.
 - traffic generated by Taylor Door in a residential area of the city is a nuisance and the proposed annexation would allow them to build a road to Taylor Door avoiding residential areas.
 - City water and sewer services are currently available to the proposed area and serving some of the parcels, while township water and sewer services are not; therefore the proposed annexation is a logical extension of the city.
4. The Township opposed the annexation on the basis that:
 - The City's primary reason for the proposed annexation is to increase the City's tax base.
 - It would be an economic disaster because an increase in property taxes might cause Taylor Door to go out of business.
 - Many residents in the proposed area are on fixed incomes and could not afford the tax increase
 - Most of the people living in the proposed area moved there knowing the kind of traffic Situation they would be dealing with.
 - Even if this petition was approved, a new road could not be built without the filing of another petition to request annexation of additional township territory.
5. Taylor Door and its parent company, MasoTech, Inc., opposed the annexation on the basis that:
 - Taylor door has its own well and septic system and it only relies on City services for backup.
 - The company cannot afford the estimated additional \$71,000.00 in property taxes to be realized by the City, even if the annexation resulted in reduced costs for water and sewer.
 - Of the taxable value listed for the area to be annexed, Taylor Door's taxable value is 92.7% of the total. Therefore, it appears that the City is only interested in annexing one particular taxpayer as opposed to annexing an area for other planning or development purposes.
 - There is not a serious traffic problem, particularly since they have downsized from approximately 300 employees and three shifts to 120 employees and one shift.

6. All residents in the proposed area who submitted testimony through the public hearing process or wrote to the Commission opposed the annexation.
7. Due to statements made by Taylor Door at the public hearing that they would either move or close the plant if annexation occurred, the City stated in a March 14, 1996, letter to the Commission that: "Although the City believes that annexation of the parcel is appropriate when all the factors are reviewed and considered, in order to insure that Taylor Door remains in business in our area, the City is withdrawing its support of the petition."
8. Subsequently, the City stated in a July 10, 1996, letter to the Commission that if approval of the annexation would lead to the closure of Taylor Building Products, then the petition should be denied.
9. The record indicated that the City and the Township have made limited efforts to solve the problems concerning the area proposed to be annexed cooperatively.

THE COMMISSION FINDS THAT

1. Approving the annexation as petitioned would not provide adequate remedies to the problems raised by the petitioner, particularly the traffic concerns.
2. Adequate public services are currently available to the proposed area.
3. The City and the Township could make further attempts to resolve the issues raised in the petition through cooperation, therefore annexation is not an appropriate remedy at this time.

IN CONCLUSION, THE COMMISSION FINDS THAT

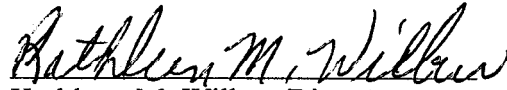
1. The Commission has considered all of the testimony and the public record regarding the annexation petition.
2. On **July 16, 1996**, at an adjudicative meeting held in Lansing, State Boundary Commissioners VerBurg, Rutledge and Walker, and Ogemaw County Commissioner Orr voted unanimously to deny annexation.
3. On **August 8, 1996**, at an adjudicative meeting held in Lansing, State Boundary Commissioners VerBurg and Rutledge, and Ogemaw County Commissioner Orr voted to approve the Findings of Fact and Order and recommend that the Director sign the Order.

ORDER

DOCKET #95-AR-4

IT IS ORDERED THAT this order denying the annexation of certain territory in West Branch Township into the City of West Branch shall be final and effective on the date this order is signed by the Director of the Department of Consumer & Industry Services.

IT IS FURTHER ORDERED THAT the Executive Director shall forthwith transmit a certified copy of these Findings of Fact and Order to the petitioner and to the clerks of the City of West Branch, West Branch Township, and Ogemaw County.



Kathleen M. Wilbur, Director
Consumer & Industry Services

9/5/97

Date



State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

MEMORANDUM

Date: August 14, 1996

To: Ron Jones, Director
Securities Examination & Property Development Division

From: Dennis Irwin-Stabenow, Executive Director
State Boundary Commission

Subject: Finding of Fact and Order/95-AR-4/ West Branch Township to the City of West Branch

Attached is the FFO for Kathy Wilbur's signature, a December 19, 1995 letter from MascoTech, the parent company of Taylor Door to Doug Rothwell and a February 1, 1996 newspaper article from the Ogemaw County Herald.

Since the Commission decided to deny this petition, I don't think any significant issues will be associated with the FFO. However, I thought that you may wish to pass on the attached letter and/or article to Wayne, Carl, or Tom.

MascoTech
December 19, 1995

Mr. Doug Rothwell
Michigan Jobs Commission
201 North Washington Square
Victor Office Center - 4th Floor
Lansing, Michigan 48913

Re: Annexation by Extortion

Dear Doug:

I am enclosing a letter received by one of our northern-Michigan subsidiaries regarding annexation into a city or face loss of water service. It should be stated that MascoTech probably will not participate in the township's legal battle to preserve its existing tax base because it is not that we are proponents of annexation, but rather because these legal matters have a history of senselessly redirecting precious private and public sector capital and human resources which are best utilized in producing income and creating jobs.

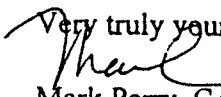
The most disappointing aspect of the notice is that City government has issued an ultimatum to affected property owners/taxpayers: either the Township agrees to the annexation or the City will cut off all water service. For most residential users, this would not be a serious threat as existing wells could be reopened or new ones drilled.

For a manufacturing operation which relies on municipal water services to operate its manufacturing process, the ultimatum puts our subsidiary in a lose-lose situation given that operating margins for this northern-Michigan operation are already tight. If annexation is opposed, we would be needlessly forced into a capital development project which in effect will replicate the utility of the existing municipal system for which we have been paying for years via nonresident water usage surcharges. Alternatively, if we are annexed, we will be faced with a higher annual property tax burden (net of elimination of water usage surcharges) without any increased level of services.

In closing, the above scenario is nothing but another form of government extortion which sends but another unfavorable message to Michigan businesses. MascoTech does not expect the Jobs Commission to intervene in this matter, but we do feel you should be aware of issues that serve as an example of why business is finding Michigan a more difficult and expensive place to do business.

Should you wish to discuss this matter or productive ways we can promote Michigan as a great place to live and do business, please do not hesitate to call.

Very truly yours,


Mark Perry, CAE
Director-Property Taxes

cc: D. Doran
K. Green
MascoTech, Inc. B. Krogulecki




State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

MEMORANDUM

Date: August 29, 1997

To: Ron Jones, Director
Securities Examination/Land Development Division

From: Dennis Irwin-Stabenow, Executive Director 
State Boundary Commission

Subject: Finding of Fact and Order/95-AR-4/West Branch Twp./City of West Branch

I checked with Tom Martin to see if he had any record of Kathy signing this order last summer. He did not so we agreed to send him another one for Kathy's signature.
(I think it didn't get sent to Kathy because I was new and didn't know what I was doing)

It is a denial and we have not heard anything from anyone.

Dennis,

Dianne discovered that there isn't any info. in NetLog re. sending out the signed FFO. I looked in the docket file & this is all I found. It is not signed & there is no mailing list for sending out the order. Should we send this to Kathy Wilbur? Robin 